



August 27, 2004

Board of Governors of the Federal Reserve System
Attn: Jennifer Johnson, Secretary
20th Street and Constitution Avenue, N.W.
Washington, DC 20551

Subject: Docket No. OP- 1209

Dear Ms. Johnson:

Boeing Employees' Credit Union (BECU) appreciates the opportunity to comment on the study on debit card fees. BECU is a state-chartered, federally insured credit union with assets of \$4.6 billion and a membership base of over 350,000.

We will address the questions presented in the request for information

1. What type of entity reports negative and/or positive information to a credit reporting agency (CRA) and what type of entity does not report negative and/or positive information to a CRA? If an entity does not report information to a CRA, why not?
Most financial institutions report to a CRA. We believe that smaller entities (i.e. small car lots, the buy here/pay here stores, etc.) do not report to CRAs perhaps due to not having the computer system capabilities.
2. Of all disputes received by the furnisher, what percentage of the disputes or complaints come through a CRA? What percentage comes directly from the consumers? What percentage comes from other sources (e.g. credit repair entities)?
For us, we receive about 50% from the CRAs and the other 50% from the consumer contacting us directly.
3. Does the furnisher provide an address for consumers to use if they want to dispute information directly with the furnisher? If not, why? If an address is provided, how is the consumer informed about this address?
If the consumer contacts us, it's usually over the phone or in person or the consumer may dispute in writing to our general business address. We do provide a billing rights notice at least annually that provides an address for the consumer to write to if they dispute something on their periodic statement.
4. Regardless of whether an address is provided, what is the furnisher's process and timeline in handling disputes and complaints that come directly from consumers? Under what circumstances do furnishers currently investigate disputes regarding information in a consumer file, based on a direct request of the consumer?

In our case, the disputes are researched and responded to in the order received. Most are resolved the same day and all are resolved within 5 business days. All disputes – regardless of how they are received, are researched in the same manner.

5. Does the consumer provide sufficient relevant information to the furnisher? If not, what relevant information is often missing? If relevant information is lacking, how does the furnisher resolve the dispute?

The most often missing relevant information is the account number of what they are disputing. We resolve this by contacting the consumer.

6. What are consumers' experiences in resolving a dispute where the furnisher provided an address? What are their experiences locating and using this address to resolve their dispute?

The quickest way to resolve a dispute is for the consumer to utilize the CRA's process. When a dispute is handled through the CRA, it is all automated. We receive the dispute the next business day and have all relevant account information in the system. This allows us to spend less time searching for account information. We can then respond electronically, which allows the credit report to be updated quicker. There is also an audit trail. If the consumer disputes directly with us, in writing for example, there is more chance for the dispute to not reach us timely (lost in the mail, routed to an incorrect department).

7. What are consumers' experiences in resolving disputes where the furnisher does not provide an address? How were the disputes resolved and what entity or person (e.g., furnisher, CRA, credit repair entity, legal representative, etc.) was instrumental in resolving the dispute?

We believe that if an address is not provided, the consumer would telephone the entity or the CRA to resolve the dispute. Again, if we receive a dispute by a phone call or mail, we treat them with the same urgency.

8. How does the furnisher ensure that it complies with the applicable statutory requirements regarding the accuracy and completeness of information it reports to the CRA?

We perform internal quality control reviews of our files to ensure the information entered in our IT system is correct. That information is what is reported to the CRAs. We also request and review annual audits from each CRA to ensure accuracy on their end. On disputes, the information reviewed depends on the nature of the dispute. If the consumer claims they have never made a late payment for example, we would review the payment history of our IT system. If the consumer claims that the loan is not theirs, we would verify the name, address, social security number and compare it to information we have on file.

9. What are the furnisher's procedures and timelines if it finds the information is not complete or accurate?

If the information is determined to be inaccurate, the account information is corrected within 5 business days and supplied to the CRAs and/or excluded from reporting if the issue takes longer to resolve.

10. What are the furnisher's procedures and timelines for reporting information that has been directly disputed by a consumer?

If the information is deemed accurate, reporting continues as it was. If it is deemed inaccurate, it is corrected and reported as such. If the dispute is received directly from the consumer, FCRA allows 30 days to research and resolve.

11. What are the furnisher's procedures and timelines for reporting when a delinquency began on an account that has been placed for collection, charged-off, or subjected to similar action?

We report the date of the commencement of the delinquency that immediately preceded the collection, charged-off; or similar, but not to exceed 180 days.

12. What are the furnisher's procedures and timelines for notifying a CRA that a consumer has voluntarily closed a credit account with the furnisher?

Once notified that a revolving account was voluntarily closed, the information is updated in our IT system and reported on our next reporting tape to the CRAs. If a consumer contacts us and states that their revolving account has been closed but is still reporting as opened, we send an automated correction to the CRAs the same day.

13. What are consumers' experiences with communicating with furnishers, with the timing of the notice of dispute appearing on the credit report, or any other matter related to having the notice of dispute placed on the credit report when disputed information continues to be reported but with a notice of the dispute?

In our case, this is not applicable. Our disputes are responded to within 5 business days and have been resolved before our monthly update tape is sent to the CRAs.

14. What are consumers' experiences with furnishers reporting that credit accounts with the furnishers have been voluntarily closed? What is the time span between the consumer closing the account and the information about the closure appearing on the credit report?

In our case, when a consumer tells us to close their revolving credit, we enter that information in our IT system and that is reported to the CRAs in the next tape sent to them.

15. When a CRA receives notice of consumer disputes and forwards the information to the furnisher, how does the CRA provide the furnisher with the notices and relevant information? What information does the CRA transmit to the furnisher? Describe any guidelines or procedure, voluntary or otherwise that apply to this process.

We use the "E-Oscar" system. The information provided usually includes: name, address, social security number, date of birth, account number, nature of dispute, open/close date, high credit, original balance, last payment, payment pattern, etc. E-Oscar disputes are researched and responded to within 5 days of receipt. We have maintained a 100% response rate, while other data furnishers average a 94% response rate.

16. How does a CRA ensure that furnishers comply with the requirements and timelines established under FCRA for disputes communicated to a CRA?

They don't. If the furnisher within the allowed timeframe does not respond to the dispute, the CRA deletes the trade line in dispute.

17. What are the furnishers' procedures and timelines for investigating disputes and reviewing the information provided?

In our case, the disputes are researched and responded to in the order received. Most are resolved the same day and all are resolved within 5 business days. All disputes – regardless of how they are received, are researched in the same manner.

18. Does the consumer through the CRA provide sufficient relevant information to the furnisher? Is all relevant information from a consumer provided to the furnisher through the CRA? If not, what relevant information is often missing and why? If relevant information is lacking, how does the furnisher resolve the dispute?

Yes. If the consumer contacts the CRA, the consumer already has a copy of their credit report and is able to provide the relevant information.

19. If the furnisher finds that the information it reported to the CRA was incomplete or inaccurate, what steps does the furnisher take?

We send an automated universal data (AUD) to the CRA through the E-Oscar system, which notifies the CRAs. Previously, paperform was used to send corrected information to the CRAs. Now it is an automated program within E-Oscar. We use the AUD when we receive a dispute directly from the consumer.

20. If the furnisher does not find the information reported to the CRA to be incomplete or inaccurate, what steps does the furnisher take?

We send a letter to the consumer, indicating we researched their dispute and found the information being reported as accurate and/or indicate such through the E-Oscar system (and continue to report said information to the CRAs).

21. Describe any guidelines or procedures that may apply to the treatment of information that continues to be disputed by the consumer after the formal dispute process has been concluded. How often do the furnisher and consumer fail to reach an agreement after the conclusion of the formal dispute process, for example, where the consumer maintains that the disputed information is inaccurate and the furnisher maintains that it is accurate?

This happens occasionally and we continue to research any new or supporting documentation that the consumer provides. In rare cases, we will contact the CRA regarding the repeated disputes.

22. What if any, legislative or regulatory changes do you recommend besides changes made by FACTA and its implementing rules? How would these recommendations improve the system? What benefits or burdens should be considered?

We would like to suggest a way to limit the frequency that a consumer can dispute the same information. Consumers often dispute valid information, in hopes that we will not respond; which results in the trade line (usually derogatory) being removed from their credit file. Stopping all of those other businesses that solicit to the consumer that they can "fix" their credit report would also help. They mostly serve to dispute everything negative on a consumer's credit report, just to see if the company misses the response deadline so that the derogatory trade line will be removed by the CRA.

Thank you for the opportunity to respond on the proposal. We look forward to the final outcome.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Oakland", written on a light gray rectangular background.

Gary J. Oakland
President and CEO

A handwritten signature in black ink, appearing to read "J. Brancucci", written on a light gray rectangular background.

Joe Brancucci
Vice President – Chief Lending Officer